



House of Representatives

General Assembly

File No. 168

January Session, 2015

Substitute House Bill No. 6595

House of Representatives, March 23, 2015

The Committee on Children reported through REP. URBAN of the 43rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT EXEMPTING BABY DIAPERS FROM THE SALES TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-412 of the general statutes is amended by
2 adding subdivision (121) as follows (*Effective October 1, 2015, and*
3 *applicable to sales occurring on and after said date*):

4 (NEW) (121) Sales of disposable or reusable diapers or diaper pads
5 commonly used by children.

6 Sec. 2. Subdivision (121) of section 12-412 of the general statutes, as
7 amended by section 196 of public act 14-217, is repealed and the
8 following is substituted in lieu thereof (*Effective July 1, 2016, and*
9 *applicable to sales occurring on and after said date*):

10 [(121)] (122) Sales of tangible personal property or services to, and
11 the storage, use or other consumption of tangible personal property or
12 services by, a Connecticut credit union, as defined in section 36a-2.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015, and applicable to sales occurring on and after said date</i>	12-412
Sec. 2	<i>July 1, 2016, and applicable to sales occurring on and after said date</i>	12-412(121)

Statement of Legislative Commissioners:

The effective date of Section 2 was changed to "July 1, 2016" for statutory conformity and the phrase "and applicable to sales occurring on and after said date" was added to both effective dates for clarity.

KID *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill results in no fiscal impact by exempting the sale of children's disposable or reusable diapers or diaper pads from the sales and use tax.

CGS 12-412(119) exempts clothing and footwear under \$50 from the sales and use tax on and after July 1, 2015. The Department of Revenue Services qualifies children's diapers as clothing. As such, the items under the bill are scheduled to be exempt from the tax beginning on July 1, 2015.

The estimated revenue loss specifically to children's diapers under the statute is \$4.3 million in both FY 16 and FY 17.

SB 946, An Act Concerning Revenue Items to Implement the Governor's Budget, eliminates the sales tax exemption for clothing and footwear under \$50. This would include children's diapers.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

HB 6595

AN ACT EXEMPTING BABY DIAPERS FROM THE SALES TAX.

SUMMARY:

This bill exempts sales of children's disposable or reusable diapers or diaper pads from the state's sales and use tax. The law currently (1) taxes children's diapers as clothing and (2) exempts adult disposable pads used for incontinence.

The bill also makes a technical change.

EFFECTIVE DATE: October 1, 2015, and applicable to sales on and after that date for the sales tax exemption and July 1, 2016 for the technical change.

COMMITTEE ACTION

Committee on Children

Joint Favorable

Yea 13 Nay 0 (03/05/2015)